

**LABOR, WORKFORCE AND AFFORDABLE HOUSING COMMITTEE**  
**OF THE**  
**SUFFOLK COUNTY LEGISLATURE**  
**Minutes**

A regular meeting of the Labor, Workforce and Affordable Housing Committee of the Suffolk County Legislature was held in the Rose Y. Caracappa Legislative Auditorium of the William H. Rogers Legislature Building, 725 Veterans Memorial Highway, Smithtown, New York on November 15, 2006.

**MEMBERS PRESENT:**

Leg. Kate M. Browning, Chairperson  
Leg. Jack Eddington, Vice•Chairman (absent)  
Leg. Vivian Vilorio•Fisher  
Leg. Thomas F. Barraga  
Leg. Lynne C. Nowick

**ALSO IN ATTENDANCE:**

William J. Lindsay, Presiding Officer  
George Nolan, Counsel to the Legislature  
Renee Ortiz, Chief Deputy Clerk  
Marian Zucker, Director of Affordable Housing  
Ben Zwirn, Assistant Deputy County Executive  
Paul Perillie, Aide to Majority Leader  
Jill Moss, Budget Review Office  
Martin Cantor, guest speaker

Maureen Earl

MINUTES TAKEN BY:

Diana Kraus, Court Stenographer

*(\*The meeting was called to order at 2:23 PM\*)*

CHAIRPERSON BROWNING:

Okay, we'll begin our Labor, Workforce & Affordable Housing Committee. We'll start with the Pledge of Allegiance with Legislator Barraga.

*Salutation*

I'd like us to stand for a minute for a moment of silence for our soldiers who were just killed.

*Moment of Silence Observed*

Thank you. Okay, we were to have a guest speaker, Martin Cantor who was the former Director of Economic Development for a Sustainable Long Island and he doesn't appear to be here. So I believe we have no cards? No cards, okay, so we shall go ahead with our resolutions.

Tabled Resolutions

*2091•06 • Adopting Local Law No. 2006, a Local Law to encourage affordable housing and workforce housing initiatives in towns and villages (Schneiderman)*

LEG. VILORIA•FISHER:

Motion to table.

CHAIRPERSON BROWNING:

Motion to table, Legislator Viloria•Fisher, I'll second.

All in favor? Opposed? Abstentions? *It's tabled*

*(VOTE: 4•0•0•1 Not Present: Legislator Eddington)*

*2093•06 • Adopting Local Law No. 2006, a Local Law to strengthen the Suffolk County Living Wage Law (Cooper & Browning)*

LEG. VILORIA•FISHER:

Is the public hearing closed on that?

MR. NOLAN:

It's closed.

CHAIRPERSON BROWNING:

Was it closed? Okay. Brenda's not here •• yeah? Okay, Brenda, would you like to come up and speak on that, please?

MS. EARL:

I'm not Brenda; Brenda's father•in•law passed away this morning.

CHAIRPERSON BROWNING:

Oh, I'm sorry to hear that.

MS. EARL:

I'm Maureen Earl.

CHAIRPERSON BROWNING:

Would you like to come up and speak on that, please?

MS. EARL:

Not really. Maureen Earl. Like I said, Brenda would have been here but her father•in•law passed away this morning. I just wanted to speak against it because it just •• we've never had any penalties imposed already at all, in all the contracts we've had, we've had one incident and it's in court now. It just seems like it would be heavy•handed and it would turn away contractors from the County.

CHAIRPERSON BROWNING:

The one that you're currently dealing with, was that an accident, or what would you want to call it? It was not intentional.

MS. EARL:

No, they refused to make restitution. Yeah, it was intentional and they refused to make restitution.

CHAIRPERSON BROWNING:

Oh, it was intentional, okay. Okay, well, then I'll make a motion to table at this time since the sponsor is not here. And a second?

LEG. VILORIA•FISHER:

Second.

CHAIRPERSON BROWNING:

Second, Legislator Viloría•Fisher. All in favor? Opposed? Okay, *it's tabled* (VOTE: 4•0•0•1 Not Present: Legislator Eddington)

*2117•06 • Adopting Local Law No. 2006, a Local Law to ensure contractor compliance with Anti•Discrimination Requirements (Viloría•Fisher)*

LEG. VILORIA•FISHER:

The public hearing hasn't been held yet.

CHAIRPERSON BROWNING:

Okay, so we'll table for a public hearing. I'll make a motion ••

LEG. BARRAGA:

Motion.

CHAIRPERSON BROWNING:

Okay, I'll second. All in favor? Opposed? Okay, *it's tabled for public hearing* (VOTE: 4•0•0•1 Not Present: Legislator Eddington)

### Introductory Resolutions

*IR 2192•06 • Amending the Suffolk county Classification and Salary Plan in connection with the 2007 Operating Budget (County Executive)*

Do I have a motion?

LEG. VILORIA•FISHER:  
Can we have an explanation?

MR. ZWIRN:  
This has to be tabled.

CHAIRPERSON BROWNING:  
Ben?

MR. NOLAN:  
Yeah, it should be tabled, that's premature.

CHAIRPERSON BROWNING:  
Okay. So I'll make a motion to table; who'll second? Legislator Viloría •Fisher. All in favor? Opposed? *It's tabled (VOTE: 4•0•0•1 Not Present: Legislator Eddington).*

### Memorializing Resolutions

*M075•2006 • Memorializing Resolution in support of allowing Fire District Commissioners to obtain housing (S03311) (Lindsay).* I'll make a motion to approve. Anyone have ••

LEG. NOWICK:  
Just on the motion.

LEG. VILORIA•FISHER:  
I'll second it for discussion.

CHAIRPERSON BROWNING:  
Okay.

LEG. NOWICK:  
Just an explanation, please.

MR. NOLAN:  
I only have the Memorializing Resolution, not the back•up, I apologize for that. It does make a change in the State law that allows Fire Districts to

provide affordable housing for volunteer firefighters, but I don't recall the mechanism that it would provide for the local departments to do that. It allows local Fire Districts to create or provide affordable housing for local volunteer firefighters.

LEG. BARRAGA:

It says Fire District Commissioners, from my understanding, Commissioners; are they elected commissioners?

MR. NOLAN:

It says ••

LEG. VILORIA•FISHER:

Commissioners.

LEG. BARRAGA:

Commissioners.

MR. NOLAN:

I'd have to get the underlying bill, I'm not sure off•hand, to be honest with you.

CHAIRPERSON BROWNING:

Is Bill around? Paul, is Bill here?

MR. PERILLIE:

I can certainly check and see.

CHAIRPERSON BROWNING:

Okay, maybe the sponsor is here and we can get a response.

LEG. VILORIA•FISHER:

Is it that it's allowing the Commissioners to get affordable housing for volunteers, is that ••

LEG. NOWICK:

It says it allows the fire department to purchase property.

CHAIRPERSON BROWNING:  
It's for volunteer firefighters.

LEG. VILORIA•FISHER:  
Right.

LEG. NOWICK:  
But I don't understand why •• I guess a firefighter can't purchase property right now?

MR. PERILLIE:  
He's on the phone, he's getting off if you want him but it might be like another minute.

LEG. VILORIA•FISHER:  
Well, George is getting the underlying bill, so we'll see if that will help.

MR. PERILLIE:  
All right.

CHAIRPERSON BROWNING:  
Okay, Bill, would you •• we have some questions about your Memorializing Resolution.

P.O. LINDSAY:  
I hope I can answer them.

CHAIRPERSON BROWNING:  
Uh•oh.

LEG. VILORIA•FISHER:  
The underlying bill, we're not sure what the provisions are of the underlying bill.

P.O. LINDSAY:  
There isn't a copy of the bill in the back•up?

LEG. NOWICK:

Yes.

CHAIRPERSON BROWNING:

No, I don't have a copy.

P.O. LINDSAY:

I thought that there was a copy in my book. Basically, you know, what it does is it allows the •• you know, every one of our volunteer departments is having trouble attracting young members with a lot of our young people leaving our communities and at the same time some of those that are staying here have multiple jobs and have a hard time acquiring housing to stay in the district that they might have grew up in, and the bill for the first time allows the State to subsidize housing for firefighters.

MR. NOLAN:

I did get the summary of the bill from the State Senate. It empowers Fire District Commissioners to acquire real property and to erect, construct, repair, equip suitable buildings for the purpose of housing use by firefighters and residents of the district. It provides the Commissioner shall cause to be submitted for proposition, these purchases, that has to go before the voters of the district before they could purchase property to create the housing.

P.O. LINDSAY:

But in that process, I thought it opened the door for some help from government to promote this program; no, you don't see that.

MR. NOLAN:

I do not see that.

LEG. BARRAGA:

Is that a one house bill; who's the Senate sponsor?

MR. NOLAN:

{Morhand}.

LEG. BARRAGA:

And the Assembly sponsor?

MR. NOLAN:

I don't think there's any accompanying bill, no.



P.O. LINDSAY:  
Yeah, I don't ••

MR. NOLAN:  
It's a Senate bill only.

P.O. LINDSAY:  
It's definitely one house right now. Some of my departments came to me and asked me about it and asked if we would put our two cents in and that's why I sponsored it.

CHAIRPERSON BROWNING:  
Well, anyone want to make a motion?

P.O. LINDSAY:  
You know, it isn't our dime.

LEG. BARRAGA:  
It's the fire district.

P.O. LINDSAY:  
Yeah, I think it's •• you know, I think it's pretty obvious to a lot of our communities that we have to do something to keep our volunteers in our community or we're going to wind up with a paid service in a lot of emergency service areas. I know my local fire department for the first time has just hired a paid EMT because they're having trouble mustering enough people, especially in certain hours, to man the ambulance and, you know, they're looking for some help.

LEG. VILORIA•FISHER:  
So the fire district would pay for this house?

P.O. LINDSAY:  
Well, I think it would give the Commissioners of the fire district for the first time the ability to approach the voters in that fire district the opportunity to build housing to accommodate volunteers.

MR. NOLAN:  
They could purchase the property many different ways, by purchase, lease,

gift, condemnation also. Again, it would always have to go back to the voters it appears.

CHAIRPERSON BROWNING:  
Legislator Barraga.

LEG. BARRAGA:

I guess the question I have is why do you have to give the Commissioners the power to purchase the property in order to provide affordable housing for their volunteers? Why isn't a bill being put in just to give a tax break or some sort of reduction with appropriate State aid to a volunteer firefighter? It's just that when you start giving Commissioners the right to purchase property, you know, the recent history of volunteer fire departments in terms of their administrative skills has been highly questioned in the last six to 12 months. It is a one house bill, so obviously unless there's an Assembly sponsor •• I'm just wondering why that's necessary.

P.O. LINDSAY:

I couldn't answer that because I didn't write the bill, you know. But, you know, I agree with you in the sense that I ••

LEG. BARRAGA:

I understand the merits.

P.O. LINDSAY:

I think there's a greater roll that the County for one can play in promoting affordable housing for volunteers in our affordable housing programs. In my opinion, I think that perhaps we could give them some kind of preference in some of our affordable housing ••

LEG. BARRAGA:

Yeah, I like that concept, it's just that the idea of, you know, a Board of Fire Commissioners having that power to purchase certain properties that are going to be used exclusively for the volunteers, I'm not so sure they have to have that power. There are other mechanisms at different levels of government that can take care of the same thing.

P.O. LINDSAY:

Well, you very well might be right except that we've got to do something soon.

CHAIRPERSON BROWNING:

Okay.

MR. NOLAN:

The Commissioners already have the authority to buy property for recreational or social use by firefighters, so this expands it to include housing.

LEG. BARRAGA:

I read about it.

CHAIRPERSON BROWNING:

I think you're right, sometimes it gets very political, it really does. If you're not in this good ••

P.O. LINDSAY:

Just one comment. And it's not that I disagree totally with what you're saying, Legislator Barraga, but unfortunately the stories about some of the departments that have abused their power, sometimes we focus on the worst •managed departments instead of the best managed departments. We have a lot of volunteer departments in our County that do a wonderful job for their communities and manage their resources and their assets properly.

LEG. NOWICK:

I just •• what I don't understand is the Commissioners have the permission to buy the property but with whose money?

P.O. LINDSAY:

Public money.

LEG. NOWICK:

So it goes out to a referendum or ••

P.O. LINDSAY:

Yes.

LEG. NOWICK:

Okay, thank you.

LEG. VILORIA•FISHER:

Would this also allow the County to 72•h to a fire department or to a fire district?

P.O. LINDSAY:

Well, I think you have the ability to do a 72•h to a fire department now, they're a taxing agency.

LEG. VILORIA•FISHER:

But for a house?

P.O. LINDSAY:

I don't know about a house, but I know in my district I had a community center that was owned by a local civic association that went to funk, we wound up with the property as a result of tax liens. There was a tremendous will within the community to keep it as a civic hall and I couldn't get any of the other taxing agencies •• the school district, the town •• to take the property and the fire department finally stepped up as the only taxing agency that would take the property. It was 72•h to them; they are currently about to starting renovating it and reopen it as a community center.

LEG. VILORIA•FISHER:

Because they have been allowed to do community centers. And I'm wondering if now, if they're allowed to do affordable housing if we could •• if this law would allow us to 72•h it to them for the use of affordable housing?

P.O. LINDSAY:

I don't know whether you need this law; do you need this law, George?

MR. NOLAN:

If you were going to 72•h it to them for the purpose of creating housing, yeah, you would need this State legislation.

P.O. LINDSAY:

Okay.

CHAIRPERSON BROWNING:

So are we making a motion to approve?

P.O. LINDSAY:

Yes.

CHAIRPERSON BROWNING:

Yes? And do I have a second?

LEG. VILORIA•FISHER:

We already did a motion.

CHAIRPERSON BROWNING:

Did we do a motion?

LEG. VILORIA•FISHER:

Yes, we did for purposes of discussion.

CHAIRPERSON BROWNING:

Okay. All in favor? Opposed? Okay, It's approved (VOTE: 4•0•0•1 Not Present: Legislator Eddington) A Memorandum Resolution, a lot of discussion.

Okay, our guest speaker did show up. Marty Cantor, would you like to come up?

MR. CANTOR:

Sure. My apologies, I •• when we talked yesterday I said, "Two o'clock," and I thought I heard you say 2:30.

CHAIRPERSON BROWNING:

Oh, no; it used to be 2:30.

MR. CANTOR:

I'm sorry.

CHAIRPERSON BROWNING:

But that's okay. If you would like to have a seat ••

MR. CANTOR:

Sure.

CHAIRPERSON BROWNING:

- and let us know what you're coming to talk to us about.

MR. CANTOR:

Great. Good afternoon. What I wanted to talk to you about, I have just written a book •• and I won't try to sell you the book, I'm going to give it away •• it's really the capsulation of a lot of my work over the past 15 years and it really speaks to the changing demographics of Long Island and the economy and where we're really heading in the next 20 years or 25 years. And the decisions that you ladies and gentlemen will make within the next five years as well as County government and regional government will really set the stage for how long Long Island is able to sustain itself going into the next century.

What I basically took a look at and what you have in front of you is the book, and it's good material if you have trouble sleeping at night. It's a •• my friend Pat Halpin said to me, he says, "There's so many tables," and I said, "Patrick, did you want crayons with it?" It's a serious book on how Long Island is changing, but the handout that you have is a capsulation of the results of it.

What I found over the years in my work was that as Long Island is changing demographically and as we get more people of color into the Island, certainly Long Island has a lower concentration of white folks than it did in the 1990's and the 1970's. The folks that are going to be part of the Long Island economy and the Long Island wage base are really the new immigrants that are here legally, the new people of color in our communities, and how we get them into the workforce is very important to where Long Island is going to go.

To put it in perspective, we all hear things about something called the global economy. And when I was Commissioner of Economic Development in the early 90's, we all knew intuitively something was going on with the Long Island economy. We were losing our jobs, our manufacturing bases were contracting, everybody was very quick, the easy answer was we're losing our defense industry and that was that. But as time goes on, what really happened was this thing, this amorphous thing that's called the global economy and what that basically means is that so many of our jobs are tied directly into the technology jobs that allow us to do commerce across the world. Our competition where it used to be at the beginning of a decade •• or rather the beginning of the century was our competition was New Jersey,

the midwest or even California if you had freight cars that were refrigerated. But today, because of the advent of technology, the instantaneous knowledge transfer, our competition in our workforce competition, quite frankly, is in the { Pacific rim} .

And on Long Island, we're very fond of saying that we have the best highly motivated workforce, and we do, but so does the Pacific rim, so does India, so does Japan, so does Korea, and they cost one•quarter of the cost as our labor force. So we are really in a battle to keep our value•added jobs here and our competition is really that workforce. And we see companies like Newsday which ships jobs to Canada, we know that we get the telemarketing from Cablevision and you know from their dialect that they're calling from Canada.

You know that I'm a CPA by profession. I have •• my favorite story is I got this estate tax diskette and it was missing some code in it and I needed it for that night to prepare this estate tax return which was due the next day and I called up the distributor that was in New Jersey and it was an Asian Indian and she says to me, "Wait, I'll get you our expert," and five minutes later I know I'm talking to India and the guy says to me •• I told him my problem, he says, "In five minutes I'll e•mail you the code," and in five minutes I had the code, he told me how to put it on the disk and I was able to finish my work. That's the competition that we face here on Long Island, is that instantaneous knowledge transfer.

What I also found in the work that I had done and in the book is that as communities went from white to black, there was more fraying of the social family structure, there was more fraying of the community, the economics of the community were more fragile, the jobs that they were holding in those households were more fragile, there were more single parent households and, quite frankly, more single families headed up by moms, and we know that women don't get paid as much in the regional economy as men do. In fact, tomorrow Newsday is going to have a story which I was interviewed for just before about the foreclosures and the {lis pendens} on home mortgages now on Long Island and most of those foreclosures and {lis pendens} are in communities like Freeport, Hempstead, Central Islip, Bay Shore, Brentwood; no surprise, those are the communities that have single parent families, more moms. Some of the communities that I show in the book and on the handout, plus they got •• some of the problems are predatory lending, but it's less of an issue •• the majority of the issue is the fact that the interest



rates went up, people are buying homes based on the variable mortgages, and those variable mortgages have been called home now because of the higher interest rates. And when you have the jobs that are being held by households and these communities, you see that the distribution of those jobs are geared towards the lower wages and the lower professions that were •• the lower jobs we're creating in the economy rather than the higher paying jobs.

Now, why is that important today is because •• and I look around the dais, myself included, we're the baby boomers plus, we represent over 50% of the workforce. Some of the folks behind me and most of the people in the •• that are working right now, the new wage earners are 27 to 35% of the economy, those are the young folks. There is a gap right now of job gap, and unless we fill that job gap, the Long Island •• and I did a down and dirty computation, the Long Island economy is going to contract by 10%, we're going to lose about \$10 billion of those high paying, high technology, wage •paying jobs.

The people who are not participating in this economy happen to be in communities of color, and it's only because their educational attainment levels are lower than the rest of the region. And as Robert Rice says, a college education doesn't guarantee you a higher paying job, but what is guaranteed, without one you won't get it, and so we have to take a look at that.

The second thing is, what the book also looks at is entrepreneurship. We pride ourselves as a region of being a small business driven economy and, in fact, we are; 90% of our business space is •• are small businesses, that's defined by ten employees or less. In those communities •• in those businesses, if you take a look at the minority communities, the communities of color, which I did, I took a look at nine of them, all in Suffolk County, and I found that out of eight of the nine the results were quite staggering. Whites, who are a minority in every one of those communities, had the greater representation of entrepreneurship and small businesses in those communities of color. Hispanics, six out of the nine met the percentage •• met their entrepreneurial quota, if you will, about 6% of the workforce are entrepreneurs, they met that percentage as a percent of their race. Asians did quite well, and again, the major group that was lagging in a hundred percent of the communities were the blacks, they were unable to become entrepreneurs. Now, it's not because they're not up to the job, the fact is ••



and that's why the County Executive and I was pleased to work him on two projects, the Small Business Incubator Program as well as the Minority Business Website.

Hispanics have found a way to network, like almost every group before them. The one group that has a problem in terms of supporting their businesses, and I did a show with a black entrepreneur in Nassau County and he was saying it's almost like the black boycott of black businesses, for some reason it doesn't happen. They need to network, they want to network, that's why the County Exec put together the website and tried to encourage business development among the minority community, but there is a group of entrepreneurs that need to access our economy. And right now they're about •• blacks are about 10% of the Long Island economy, in every community the Hispanics have been the fastest growing minority, if you will, in the last ten years, and in terms of percentage are the Asians.

So what we have is •• now that we have a democratic change on Long Island, we have a higher education attainment gap that's growing and that attainment gap is the gap between whites and people of color in terms of attaining a college education and plus. We also have a gap in the workforce as we get older and as we grow. Clearly, what's going to happen in the next 20 years, we're not going to find a resolution to the energy problems. The United States, in my opinion, with what I see right now, will always be an importer of oil or an importer of our energy. We're always going to have taxes and taxation. The property tax in the region is no longer a progressive tax, it's a regressive tax. The idea once was a progressive tax and that causes a problem in a lot of these communities. It used to be if you can afford a more expensive home you could afford to pay the higher tax, but going to full value assessment as well as the expedient growth in the market value, you have people living in homes they couldn't buy today. I consider myself relatively successful and I couldn't afford to buy my home today and I live in Melville. And what's happening is we have people who can't afford to live in their homes, we have people earning wages that grow about 3% a year over the past five years, and if you look at the taxes that have gone up, in the aggregate, have been about eight, 9%, despite the fact that the County has done its job in holding the taxes as low as it can, the school taxes have gone up, the Special District taxes have gone up. So we have a situation where people can't pay their taxes, can't pay their health insurance, the wages are lagging behind, and right now there's probably a 50% gap in terms of expenses in the fixed expenses that are growing versus

wages and that's another reason why people are losing their homes right now, especially in the communities that are economically lagging.

So the way to go and the way to explore, it is a possibility of a regional income tax, it will benefit a lot of people, but you've got to do a lot of study on it and you really have to take a look at that. But we have to change how we do business, we have to change how we pay services, because the fact of the matter is if we don't replace the workforce, in 10, 15 years there won't be enough government revenues coming in to pay for government services, and that's a real issue as well.

So the problem that government has and Legislators have is to really look forward, what's going on today is just everybody is pretty much holding on and you really have to take a look at the impact of what's going to happen from Washington, the debt is now almost \$8 trillion, and when you think about it, Jimmy Carter, when he left it was only at 60 billion; I mean, that's a lot of money in anybody's book. Like {Everett Durson} said, a trillion here and a trillion there and before you know it you're talking about real money. So that's going to have •• that's having a tremendous •• and most of that debt, by the way, is owned by people in Europe. So what's happening is we're raising our taxes, we're taking our economy to pay the national debt and 30, 40% of that debt money is going over to the Dutch and to the European community. So we're exporting our wealth and that's another problem that we have in the region and in the country.

So it's •• I came here to bring you good tidings and tell •• and Tom, you can't lose any more hair. I mean, it's really •• it's a serious issue and that's why I wrote the book. It's a serious book on serious issues about people who are trying to live here and, quite frankly, about the future of our region. We're aging and we need •• and I will tell you this, as a former Commissioner who now is the Chief Economist for Long Island Development Corp and the Greater New York Development Corp, what we're doing is we're taking •• and we're the largest SBA 504 lender and we also run Community Development Financing Institution which attracts low cost lending for affordable housing and businesses in the region. We're finding that it becomes more and more difficult to do that because of the lack of funds and also because of the expertise of the entrepreneurs that we have, the answer is in education and in really addressing what the problems are and taking a position to try to create them.

And I thank you, Madam Chair, for allowing me to come down today because I didn't want to present the book, I wanted to present the issues and once we read it and we understand it we can go forward.

CHAIRPERSON BROWNING:

Legislator Barraga has a question for you.

LEG. BARRAGA:

I want to make sure I phrase this properly. When we talk about the entrepreneurial capability of blacks and really not participating the way they should, you know, realistically and objectively, if we take a look at Long Island, it's one of the most segregated societies we have and that segregation is predicated around the 126 school districts in Nassau and Suffolk Counties. And you indicated that you looked at nine different school districts, and I'm willing to bet that some of them •• you know, for example, like Roosevelt, Wyandanch, maybe a few others •• they should have been consolidated a long time. I mean, their problems are chronic, but yet at the same time neighboring districts don't want the students from those respective districts in their districts.

I mean, many years ago at the State level, we put •• reorganization {incinovate} so that districts would consolidate and of the 720 districts at the time, less than ten did sell. I mean, those segregated districts exist today because the people of Long Island want them to exist, whether they're right or wrong. But it makes it very, very difficult for certain racial groups to participate in our society from an economic perspective.

MR. CANTOR:

Actually, you said it perfect. It's a term called institutional racism and that's really •• in a piece I wrote for Newsday a couple of weeks ago about the sexual predators, that's really a set of structures and policies that we as Long Islanders have allowed to continue.

One of my good friends who passed away, {Erwin Quintime} from North Amityville, and he leads off the book. When he •• he was a World War II Veteran and when he came back from World War II, they wouldn't let him move to Levittown and what happened was the same communities he was fighting for they wouldn't let him live in. And so he got steered to North Amityville and the house that they sold him leaked and had yeast and, I mean, he had •• you know, he finally made it. And we find the communities

of Roosevelt, which originally was a white community but urban renewal destroyed it in the 80's. Huntington Station, when you take a look at it, was the number two business community in Suffolk County in 1960, and when urban renewal bifurcated New York Avenue and made it 130 feet it split the neighborhoods. So policies have allowed that to happen.

And you're right in terms of we do, Long Islanders do •• Long Islanders do want these communities to stay the way they are and it's very difficult to convince neighboring communities to do that. And as I say in the last paragraph in my book, it's going to take some real mind changing and real mindset changes. However •• and that's why all these issues are sociological as well as economic, they're both together, it's interdisciplinary, you can't look at one without the other. However, when you take a look at that issue, Tom, you know, the taxation also is an issue, and you're right in what you did in Albany is to incentivize. I mean, there's no reason why some issue •• some school districts which have one school building, you know, in eastern Suffolk, you know, has one Superintendent, but you know, you're taking a look at a superintendent •• I'm not going to minimize the fact that they'll make \$150,000, you know, that's more than most people •• that's more than 50% of the households on Long Island make.

LEG. NOWICK:

That's in the lower end.

CHAIRPERSON BROWNING:

That's low?

MR. CANTOR:

Yeah, that's the low end, but I know that person makes it, some will make 200 and 250. If you take all of them and you put them together, it's a drop in the bucket in terms of total cost of education and how it's funded. That's why I brought up before is that •• and I know you have two committees from the Legislature looking at the issue of taxation, from a cost perspective as well as a revenue perspective. And what I would offer is that where those two graph lines meet is where you're going to come with your solution, there's got to be a •• there's got to be a change of the revenue raising in terms of making the taxing more progressive and there also has to be a combination of school districts and functions to reduce the cost; your answer is going to somewhere in the middle.

LEG. BARRAGA:

Yeah, because I've heard the concept, you know, for a number of years now, called regional income tax. There's always been a marriage state by state, except for the state of Hawaii, between, you know, the property tax and the State income tax; I mean, that marriage has always existed. You know, I just have very serious concerns. When someone tries to sit down and figure out a regional income tax, there's a big difference in buying power and my capability and my expenses when I am 40 years old and make \$100,000 and I have a spouse and I have children and I have all that goes with that versus when I am 70 years old and I'm still, you know, making a lot less but it goes a lot further because my expenses go down. Making 100,000 in your 40 years of age does not necessarily put you in good stead or put you in the position where you can afford to pay more, all right, even though your children will be going through the system, because your expenses are so much higher.

And this has been looked at over and over again. And then there's the question, you know, who does the distribution after you •• if you have a regional income tax and the County is collecting the money, does the given amount raised out of West Islip, does that same amount through an income tax go back to West Islip or is there a skewing of the distribution predicated on a formula that drives more money to other districts other than to the districts where the money was generated? Like we already have at the State level. I mean, for example, in the last ten years, as you well know, we changed the formulas in 93•94, State Education formulas, we put a cap on operating aid and Brentwood, as a result, has lost in ten years over \$450 million.

So when we get into this concept of a regional income tax, it is new and unique and is really not tried and true in other areas of the country and that it's a lot more complicated than people think, especially as you collect and then you redistribute because there's always somebody who wants to make a different distribution.

MR. CANTOR:

Well, that's the big issue, Legislator. And you know, not to be facetious, but that's why you get the big bucks, is to make that call. But that's ••

LEG. BARRAGA:

Okay.



MR. CANTOR:

No, seriously, your issue that you raise is a very serious issue and it can't go forward unless that's addressed in some meaningful way. What that is it's going to take a lot of people to sit down and figure it out, but I do know that in New York City •• and New York City is the other area where it has, what, 34% of the kids and gets 33% of the money, but they have a commercial property tax and then an income tax with the city.

But I'll also offer this as your example. As we all get older and when our incomes, our pension and Social Security, the taxes on that income would be less just for the fact that we're in a lower income tax bracket, but the property taxes are staying the same. So what happens is now the property tax has become a major piece of your declining income. So that's •• you know, you're right, you know, your perspective is from where you sit and when you're •• you know, when you're a young person and you're making 100,000, and today that's not a lot of money in a family of four on Long Island, the average, the median income is about 75,000 •• the fact is that as we get older •• and that's the point I was raising before, is that we're going to have half our workforce getting a point where the property taxes that they're paying now they can't afford their homes. And what that also does is we're seeing that for the first time in Suffolk County, housing prices have dropped in five years, although it's only 2% and it's not a lot, but it dropped, Nassau County was ahead of us. We are going to have, as we go forward in next five, six, seven years, a glut on the, market in terms of housing inventory. And the folks that are living here that are retiring that are on the vanguard of the baby boomers are going to start selling their houses and driving those prices down, which you're seeing the market react to that reality today as people are selling for less money and they're becoming more innovative in selling just to be able to get the dollars out of the houses.

LEG. BARRAGA:

Just one final point and then I'll yield.

MR. CANTOR:

Sure.

LEG. BARRAGA:

I don't know if the challenge is greater to figure out a different methodology to raise the revenue, vis•a•vis say a regional income tax, or greater courage

to control the spending side of the equation. I mean, you know, we have 900 different quasi levels of government in two counties, no other two counties in the state come anywhere near what Nassau and Suffolk demand.

MR. CANTOR:

Oh, you're a hundred percent correct. I mean, that's why I said to you the solution is in the middle.

LEG. BARRAGA:

But yet •• yeah. But yet as a program is put in place, try and remove that program. You know, it's like a mortal sin because there's always a constituency that needs the program once you've implemented a program; it's like a Medicaid kind of scenario. We've discussed this for many, many years but, you know, when you really get to the nitty•gritty of it, very little is done. The Wyandanches still exist, the Roosevelts still exist. There's lots of talk but there's never any action, it gets to a certain point. These two commissions we have at the County level, we've had the { Ruben Commission} at the State level, the Salerno Commission, State level; the Fleishman Commission, State level. We know what to do, we've never had the will to do it; that's always been the problem.

LEG. VILORIA•FISHER:

Or the courage.

MR. CANTOR:

Yeah. You know, you're right and that's •• Legislator, you really hit the nail right on the head and that's where the last •• that's the last section of the book, the last couple of pages, that's what I say. Because, you know, we're facing the enemy and the enemy is us, as Pogo once said. What's going to happen is that the economics are going to start pinching people and then what's been said for years is going to start to resonate, and I think that's probably what will happen. You know, it's hard to lead when you have nobody to lead as an elected official and that's a real difficulty, but I think the folks are going to want the leadership soon because they're going to see what the problems are.

CHAIRPERSON BROWNING:

Vivian.

LEG. VILORIA•FISHER:

Thank you for coming. It's always interesting to hear you and also to read when you write in the Op Ed pages. I'm curious that you came to the Labor & Affordable Housing Committee and not to the Economic Development Committee, and perhaps that speaks to you're seeing affordable housing as a major piece of the picture we're looking at here; that was just a comment.

Looking at the school district issue, when we look at incentivising, a consolidation of school districts and we look at the savings, we not only look at the savings of staff, personnel cost expenses, you know, Superintendent of Schools and what he or she makes, but we also have to look at the infrastructure and capital expenditures. We had two •• I represent two school districts, one which was floating a bond because it was in such desperate need of more buildings and other that was selling off its buildings right next door; there's something wrong with that, which leads me to a third issue in the distribution of revenues. The school district that was selling off its properties has a major commercial tax base; the school district that was bonding for more buildings has as its largest employer the State University of New York at Stony Brook, and you know the ramifications of that.

So when we look at our revenues, we have to look at a redistribution of our commercial tax bases so that you don't have one school •• you remember Shoreham? They were spending money like drunken sailors back when ••

MR. CANTOR:

I know, violin lessons.

LEG. VILORIA•FISHER:

Well, as a teacher who attended conferences with teachers who were teaching at Shoreham•Wading River, they would talk about having these classes with 12 kids and every kid had an advisory period after •• you know, it was just like the ideal way to teach, and these carpeted reading rooms; it was just heaven. And then the plant didn't ever go on and what happened, we're all still paying the piper, the rest of us in Suffolk County.

So that's an important part of the redistribution of revenues, those commercial entities. And I think if we perhaps took the •• approached the solution one step at a time, there might be a little more courage displayed in approaching those. Because I do have to tell you that years ago when I first said the words let's see school districts consolidate, people said to me, "That's political suicide, you should never say that out loud", or when I said



income tax, you know, a local income tax. So you came here because Kate invited you, she just said.

CHAIRPERSON BROWNING:  
Yes.

MR. CANTOR:  
Oh, come on, you stole my line, Kate.

LEG. VILORIA•FISHER:  
That answered my question.

MR. CANTOR:  
Yes, I'm here because the Chair invited me. But also the fact that it was very appropriate because what my book talks about is labor and what it talks about is education and it talks about there's housing issues in there as well. It's talking about people, it's less about economic development in a sense but it's talking about the sociology of •• I'm not going to say poverty because these folks aren't in poverty, but the sociology of making less money and the sociology of the lack of education, that's what we're talking about. It's not about creating jobs and the economic development today is very difficult. So I was fortunate that I was able to bring Computer Associates out and have Symbol expand to do some of the major projects, but when I left government I knew that was it, they weren't coming in.

And so today it's all about retaining jobs and I know Commissioner Morgo works his tail off to do that. And I'm working with the department at Gabreski Airport which here's a classic example; that is a regional asset. That is one of the few runways in the region, and I say region of Long Island, that could accept the Space Shuttle, Airforce I lands there, it's got a thick long runway and the people in Southampton don't want aviation related business, aviation related business would tie into the National Guard. You can bring in Aircraft Retrofit which a plane would come in once a week, fix it and leave it, you would be able to retain our engineers. So I had gone down with the Commissioner, I did a study on the taxes and what not and the community is talking about, you know, volley ball courts and I'm just like •• you know, we're talking about losing jobs and retaining people and creating it and, you know, we're all kind of •• the Commissioner and I were scratching our heads saying this is like crazy, but this is what we have.

And you know, Legislator, you're absolutely correct, is that it's a one step at a time thing. It's why I •• you know, I've basically given up all thoughts of ever running for any kind of an office because I'm saying things that are just suicide and I have more of a value to be able to raise the issue and to talk about it because, you know, I feel that we have to talk about it and I don't mind being the one.

LEG. VILORIA•FISHER:

I think public opinion has caught up, though, so I think that many people are now saying those thoughts out loud.

MR. CANTOR:

You wee, Legislator Barraga, that was the point that you were asking and I said •• you know, and I agreed with you, I think people are starting to see it. You know, the kids can't stay out here, you know, and they can't live here. The downtowns, you know, we're paying more for open space, bonds issues, you know, we should preserve the open space because that's what we are but we're not turning a real hearted tench to our downtowns and incentivizing development there to create housing, we need to do that. We need to take a hard look. I mean, LIPA is spending our electric rates to incentivize plants in other communities and in industrial parts of other communities where it ought not to.

There's a lot of issues out there that cost the average taxpayer on Long Island dearly. And right now we're not talking about thousands of dollars, we're talking about hundreds of dollars, you know, per household and as we get older those hundreds of dollars become more.

And as we said, it's all about labor, it's all about jobs and it's all about how we encourage our entrepreneurship and that's why the incubator program that I'm working on, we have one in North Amityville, we expect to create 10, 12 new entrepreneurs every three years and 50 jobs right in the middle of North Amityville, we're looking at some in North Bellport. And that's •• we're going where the need is. And the County Exec •• you know, with the program in the Capital Budget there's money for incubators for Capital assets and, you know, thank you to the Legislature for passing that. So, you know, there are buds of initiatives that are there but the first things that people have to start talking about and say, "Hey listen, once you acknowledge" •• it's almost like Al•Anon, you know, once you acknowledge you've got a problem, you know, and you start talking about it it becomes easier to say it.

And that's what people will have to really •• Long Islanders all have to say it, we've all got to say it and we all have to do something about it.

CHAIRPERSON BROWNING:  
Lynne, you had a question.

LEG. NOWICK:

Actually, most of what I was thinking has been discussed. But as I sit here and I think that we want to keep our young people here and we do talk about workforce housing, but we all know, and say it over and over, if I give my daughter my house free, that's a pretty good price; how do they pay •• I had to say it, but how do you pay those school taxes? And that's what brings me into the next thing, even if we come up with all of the different ideas, whether it be revenue or •• income tax seems to be a little bit •• there's a lot of caveats there, second homes, businesses, that sort of thing. And even if we took many different things, we would still have to bring these ideas to fruition. And there are going to be •• so that would be bringing it up to our State Legislators. And as Legislator Barraga said, these ideas have been out there; how do you get them implemented? Because we're not having a State aid •• we're not having the formula changed unless the State Legislators do it, we're not going to have an income tax, not that I say that that's what I want, but unless the Legislators do it. Legislator Vilorio•Fisher had an idea that I thought was a good idea, taking all these industrial areas because you know it knocks the taxes down and maybe distributing, but of course you do that, you think those people in Hauppauge are going to be happy with us over here?

LEG. VILORIA•FISHER:  
Or Port Jefferson.

LEG. NOWICK:

So there are so many caveats. Raising revenues, another tax; my God, you do that, that's political suicide. Maybe a sin tax, there are different things but we can't do it. We could try to get the attention of the State Legislators, and believe me, it is •• on a single salary, it's hard to keep up a home. And every time •• and that tax bill, by the way, is coming December 7th, 8th, 9th, somewhere, so I assume that everybody will be in a very dismal mood after that.

MR. CANTOR:

It won't be a happy Christmas. No, but you raise •• you're absolutely correct. If I gave my house to my son, he couldn't afford to pay the taxes, let alone anything else. In fact, what's interesting, and I've been writing about this lately also, is about the lack of wage growth. And what annoys me is •• and I've said it and I know it doesn't make, you know, my business friends happy, but I'm saying it's enough time squeezing the profits out of the employees to pay the stockholders and the dividends on Wall Street. Wall Street, the people on Wall Street are making record bonuses this year, millions of dollars and they are keeping the east end economy going, but you ask the little floor trader what he's making and he's not getting the bonus. What was interesting, when I got out of college, one•third of my apartment rent •• and I got hired by Arthur Young which was a big eight accounting firm and I was only making \$12,000 at that time and that was the tops in the accounting profession, but my rent was only \$3,600. It's the right percentage, one•third of your gross goes for rent.

I was interviewed by a reporter for Long Island Press a couple of weeks back and I said •• you know, we talked about affordable housing, I said, "Let me try something different on you. How about the fact that wages are woefully behind," you know, and that's what I said in my interview.

LEG. NOWICK:

You're right, the wages are behind in relationship to what we pay.

MR. CANTOR:

Exactly, and that was the point I said.

LEG. NOWICK:

Right.

MR. CANTOR:

And that's the point, Legislator. All I wanted to finish was this point, is that if you take a look at it and I aid how much is rent out here, you know, I said \$1,200 a month for a small, crummy apartment, he say, "Thirteen hundred," and so I said, "Well, let's add it up." So we added up the rent, we added up utilities and it already exceeded the 16,000 he was earning. And so that's the issue, that that original relationship between rent and what you earn no longer exists because the economic •• the economic ratios are all messed up. And that's the issue here, is that, you know, even if you made up for all the wages that were picked out of the employees pockets over the last five

years still wouldn't make it work. So we have •• you know, so that's what I was saying in my initial comments is that the socio economic structure that Long Island is living in •• and it's all over the country, by the way, you know, it's just in different percentages and dollar levels, they're all screwed up. And that's the issue that we confront and that's why I said, the decisions that we make over the next five years are going to really be important as to how we go forward because when you add to the fact that what's keeping it going is the workforce right now of almost one point •• one and a half •• one point one hundred and fifty thousand people •• one million, one hundred fifty thousand people, it's going to be less than a million and so who do we keep this engine going with less than a million people in the workforce? It reaches the point of •• well, it's a real dismal prospect.

CHAIRPERSON BROWNING:

You know, it drives me crazy when I listen to the news and they say the economy is doing great and unemployment numbers have dropped and yet you turn around and you say, well, what jobs are available? The decent paying jobs are not available, they're all the minimum wage jobs and that's the jobs that have gone up. And I feel like we're •• I really feel like we're being held hostage, you know.

MR. CANTOR:

To the system.

CHAIRPERSON BROWNING:

We're just not getting those jobs.

MR. CANTOR:

To the system we're being held hostage to it, that's why it's going to take some viewing. I mean, Legislator Barraga really •• you know, you said a mouthful, Tom. I mean, right down the middle is where you're going to go and all the issues that you've been talking about about the State level, I mean, even the Governor's plan, incoming Governor's plan on Medicaid, it's a one•shot. You know, I mean, or the property taxes for schools, it's a one •shot. Where is the systemic change in the revenue stream and the revenue structure in order to keep it ongoing? It's not there.

CHAIRPERSON BROWNING:

The one thing that I hear often, I know we hear a lot of conversation about income tax versus property tax and people say, and I've talked to many



people that have said, "Yeah, but I'm worried because if we go to an income tax, I guarantee you eventually you're all going to go back to a property tax on top of that. That's something that's real, it's a fear to change.

MR. CANTOR:

Absolutely. You point to the City of New York, you know, that's been pretty • they've been pretty consistent when they did that, they haven't gone back. But look, these are serious questions and serious issues and I don't mean to make light of it but, you know, it takes some serious review and discussion and information but you've got to start somewhere, you know, with some of these concerns. And as Legislator Viloría•Fisher said, it's a step by step, you know, you set a game plan and step by step you develop credibility with the residents. You show this as step one, you complete it, it looks okay, then you go to step two, but you've got to •• you know, it's a step by step approach but you have to start building that credibility and winding up to where you want to be in five, six, seven years.

CHAIRPERSON BROWNING:

Okay. Well, I think that's all the questions. I thank you for coming, I really appreciate it.

MR. CANTOR:

Oh, my pleasure, thank you for having me.

CHAIRPERSON BROWNING:

And we are adjourned.

*(\*The meeting was adjourned at 3:18 PM\*)*

*{ } • Denotes Spelled Phonetically*